(f) whether the above company is likely to come out of the red by 1998-99; and

(g) the details of various concessions in tax etc. given by the Government under the revival package?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA) : (a) and (b) DoT have already taken certain steps as follows :

(i) Enhancement of advances against Purchase Orders from 50% to 75% upto 31.3.1997;

(ii) Release of an adhoc amount of Rs. 62 crores on account of liquidated damages and other financial issues;

(iii) Compensating the Company for the losses suffered in running their Srinagar (J and K) Unit;

(iv) Extending Government of India Guarantee for issue of Bonds aggregating to Rs. 100 crores under private placement etc.

Other proposals of the Company viz. enhancement of equity by Rs. 200 crores, grant of long term soft loan of Rs. 150 crores and financial support for VRS and R and D etc. are being examined in consultation with the concerned Ministries/Departments.

(c) The losses incurred by the Company during these years are as under :

1994-95 - Rs. 81.91 crores
1995-96 - Rs. 283.96 crores
1996-97 - Rs. 117.52 crores
(upto 30-9-96) (Prov. unaudited)

(d) The main reasons for the losses are as follows :

(i) Competition from private vendors and reduction in the prices of telecom equipment;

(ii) Interest burden owing to large borrowings;

(iii) High manpower cost and other overheads.

(e) The Company has been advised to explore the market potential in non-DOT Segments including Defence by strengthening their marketing set up. The success of the Company in non-DOT segments will depend upon their marketing strategies and competitiveness.

As far as DOT is concerned, apart from assured orders ranging from 20% to 30% in different products to the Company has also been authorised to undertake cable laying jobs in some Telecom. Circles.

(f) All necessary steps to help the Company to become profitable in the coming years are being taken.

(g) Revival plan does not include any tax concessions, as these are as per relevant laws of the country.

Disposal of Scrap

4089. LT. GENERAL (RETD.) PRAKASH MANI TRIPATHI :
SHRI CHANDRABHUSHAN SINGH :

Will the Minister of RAILWAYS be pleased to state :

(a) the total amount released by the Government on account of disposal of Scrap, etc. during 1994-95, 1995-96 and 1996-97 till date;

(b) the break-up of the said amount, zone-wise; and

(c) the measures taken by the Government to liquidate all the scrap Squandered here and there in the areas belonging to Railways?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI SATPAL MAHARAJ) : (a) and (b) The total value of sale of scrap realised by the Railways during 1994-95, 1995-96 and 1996-97 was as under :

(Rs. in crore)

Railways	1994-95	1995-96	1996-97 upto February'97
CR	115.72	135.42	83.14
ER	117.10	100.97	85.22
NR	180.21	170.26	106.19
NER	42.68	48.01	25.94
NFR	25.61	23.41	14.65
SR	135.31	125.54	90.50
SCR	116.37	110.13	60.49
SER	120.89	130.70	112.83
WR	121.10	134.40	88.16
Total	974.99	978.84	667.12
PUs	42.76	39.26	30.60
Grand Total	1017.00	1018.00	697.72

(c) Mopping up of available scrap lying with the Railways and its prompt disposal is a continuous process. With a view to maximise the sale of scrap, a management group has already been set up in the Railway Board headed by Additional Member (Store), Additional General Manager at Zonal Headquarters and Additional Divisional Rail Manager at Divisional level have been nominated to closely monitor the progress of disposal and ensure that the scrap is not allowed to accumulate and disposal is prompt. The system is working satisfactorily.